ENERGY-WATER APPROPRIATIONS/Appalachian Regional Commission Cut

SUBJECT: **Energy and Water Development Appropriations Bill for fiscal year 1996 . . . H.R. 1905. Johnston motion to table the Grams amendment No. 2058.**

ACTION: MOTION TO TABLE AGREED TO, 60-38

SYNOPSIS: As amended, H.R. 1905, the Energy and Water Development Appropriations Bill for fiscal year 1995, will provide $20.557 billion in new budget authority (BA) to the Department of Defense's Civil Corp of Engineers, to the Department of the Interior's Bureau of Reclamation, to the relevant offices within the Department of Energy, and to related independent agencies and commissions. Appropriations will be as follows:

- Army Corps of Engineers: $3.175 billion, including $778 million for construction of water resource projects, $308 million for Mississippi River flood control, and $1.7 billion for operation and maintenance activities;
- Department of the Interior, Bureau of Reclamation: $772 million, including $44 million for the Central Valley (California) project restoration fund;
- Department of Interior, Central Utah Project, $44 million;
- Department of Energy: $16.235 billion, including $5.989 billion for atomic energy defense environmental restoration and waste management, $3.752 billion for atomic energy weapons activities, $2.798 billion for energy supply research and development, and $312.5 million for Power Marketing Administrations; and
- Independent agencies: $330.9 million including $182 million for the Appalachian Regional Commission (see below) and $110.3 million for the Tennessee Valley Authority.

Miscellaneous:

- the Gas Turbine-Modular Helium Reactor program will be terminated (see vote No. 347);
- the authorizations for the Technical Committee on Verification of Fissile Material and Nuclear Warhead Control and the Technical Panel on Magnetic Fusion will be repealed;
- it is the sense of the Senate that the House should appoint conferees on the line-item veto bill (see vote No. 348);

(See other side)

YEAS (60)			NAYS (38)			NOT VOTING (2)	
Republicans (19 or 36%)	**Democrats (41 or 91%)**		**Republicans (34 or 64%)**		**Democrats (4 or 9%)**	**Republicans (1)**	**Democrats (1)**
Bennett	Akaka	Hollings	Abraham	Hutchison	Feingold	Gramm-2	Exon-2
Burns	Baucus	Inouye	Ashcroft	Inhofe	Kerrey		
Cochran	Biden	Johnston	Bond	Jeffords	Kohl		
Coverdell	Bingaman	Kennedy	Brown	Kassebaum	Lautenberg		
DeWine	Boxer	Kerry	Campbell	Kempthorne			
Domenici	Bradley	Leahy	Chafee	Kyl			
Frist	Breaux	Levin	Coats	Lugar			
Gorton	Bryan	Lieberman	Cohen	Mack			
Hatfield	Bumpers	Mikulski	Craig	McCain			
Lott	Byrd	Moseley-Braun	D'Amato	Nickles			
McConnell	Conrad	Moynihan	Dole	Packwood			
Murkowski	Daschle	Murray	Faircloth	Pressler			
Santorum	Dodd	Nunn	Grams	Roth			
Shelby	Dorgan	Pell	Grassley	Smith			
Simpson	Feinstein	Pryor	Gregg	Snowe			
Specter	Ford	Reid	Hatch	Thomas			
Stevens	Glenn	Robb	Helms	Thompson			
Thurmond	Graham	Rockefeller					
Warner	Harkin	Sarbanes					
	Heflin	Simon					
		Wellstone					

EXPLANATION OF ABSENCE:
1—Official Buisiness
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:
AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

Compiled and written by the staff of the Republican Policy Committee—Don Nickles, Chairman

- each Federal agency will report on how it plans to reduce its energy costs by 5 percent in fiscal year 1996;
- up to $56 million will be made available for the Tokomak Fusion Test Reactor; and
- no more than $25 million will be spent on the Tennessee Valley Authority's Environmental Research Center.

The Grams amendment would cut $40 million of the $182 million that will be appropriated for the Appalachian Regional Commission (the House-passed bill will provide $142 million; the Administration requested $183 million).

During debate, Senator Johnston moved to table the Grams amendment. A motion to table is not debatable; however, some debate preceded the making of the motion. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

NOTE: Following the vote, the bill, as amended, was adopted by voice vote.

Those favoring the motion to table contended:

Appalachia is an isolated, mountanious region that extends through 13 States. It has pervasive poverty because it lacks basic infrastructure. In 1965 the ARC was created to address this problem. The ARC uses Federal funds to leverage State and local investment in projects in Appalachia. Most of that funding is for the most basic need--highways--which are very expensive to build in mountainous terrain, and which States cannot afford to build with only their own funds. Other typical uses for ARC funding include water infrastructure projects, physician recruiting, and job training. The ARC has always operated as a very decentralized program. Most decisions are made at the local level, and, with only 50 employees, administrative costs consume only 4 percent of its budget. Over the years, the ARC has been able to reduce the grinding level of poverty in Appalachia. For example, in 1960 Virginia's poverty level in its Appalachian region was 24.4 percent. Today it is down to 17.6 percent. Overall, the average poverty rate in Appalachia is down to 15.2 percent, which is getting close to the national average poverty level of 13.1 percent.

These numbers indicate that Appalachia has nearly been integrated with the rest of America, but that more still needs to be done. In particular, the highways, which are two-thirds completed, need to be finished. Currently there are highways throughout the region which are called "highways halfway to nowhere." It would be a collosal waste of money to leave those highways incomplete, when finishing them by connecting them to major arteries outside of Appalachia would open the region up to development.

Some Senators have made it quite clear that they think the ARC should be eliminated. The major basis for their opposition is that only 13 States receive ARC funding. Their assumption is that eliminating this program will leave more money to be spread around the country evenly. We disagree both that it is improper to design a program to benefit a few States and that eliminating this program will save money. On the first point, we in Congress commonly enact programs to help particular regions of the country. We give disaster aid, we have commodity programs that affect only a few States, and we have the payment-in-lieu of taxes program, which primarily benefits Western States. We pass these programs in recognition of particular local needs. Senators may respond that responding to earthquakes or floods is fine because those disasters are beyond the control of the people of those States, but it is also true that the geographical terrain which has made Appalachia poor is also beyond the control of Appalachians. On the second point, cancelling this program will prove more costly than continuing it. If this region is not developed, its citizens will remain in abject poverty. They will then be much larger consumers of the welfare services which are provided to other Americans. We can spend money to end Appalachia's isolation and poverty, or we can accept paying welfare to its citizens in perpetuity. The former option is preferable.

For all our defenses of the ARC, we admit it has had some questionable expenses. We also admit that even praiseworthy programs need to be cut back in these tight budgetary times. However, the $182 million appropriation in this bill is already a $100 million cut from last year's level. Cutting 35 percent in one year is a very major cut. Further, over the next 7 years this program is slated to be cut by up to nearly 50 percent, for almost $1 billion in savings. In short, we believe that the ARC has already absorbed more than its fair share of cuts. An additional $40 million cut, as proposed in the Grams amendment, is unwarranted. We therefore urge our colleagues to reject this amendment.

Those opposing the motion to table contained:

The ARC is a porkbarrel juggernaut that has wasted $7 billion since its creation in 1965 as a "temporary" commission. It was created to address the supposedly unique poverty that afflicts the Appalachian region. However, Appalachia is no worse off than most rural areas. Additionally, many of the 399 Appalachian counties are in States that have relatively high income levels. The sponsor of this amendment is from Minnesota, which has a 12.5 percent poverty rate, with that poverty concentrated in rural regions. It does not receive any ARC funding. In contrast, Virginia, with a 9.4 percent rate, Maryland, with an 11.6 percent rate, Pennsylvania, with an 11.7 rate, and Ohio, with a 12.6 percent rate all receive ARC funds. ARC States, in general, do a good job of grabbing public funds. States which receive ARC funding receive, on average, $1.21 for every dollar they pay in taxes. In contrast, Minnesota receives 82 cents on the dollar.

Most of the funding provided by ARC is just icing on the cake. Programs like community development block grants, Transportation highway funding, housing development block grants, Economic Development Agency grants, farmers home loans, small business development loans and grants, and rural electrification loans benefit all Americans, including Appalachians. They get their fair share. Unlike other Americans, though, they get ARC funding on top of their fair share.

A lot of that money is wasted. For example, ARC spent $750,000 last summer building a summer practice field for the Carolina Panthers. It also spent money to build an Alabama Music Hall of Fame, an access road to a ski resort in Pennsylvania, and a NASCAR Hall of Fame. This type of wasteful Federal spending when the country is deeply in debt is absolutely disgraceful.

Some Senators have claimed that the ARC has been a successful program. The only thing we see that it has succesfully done is spend money on earmarked, porkbarrel projects. The one big burst of growth that Appalachia has seen since the ARC was created 30 years ago occurred in the 1980s. In the 1980s, ARC funding was cut by 40 percent but taxes were also cut, and unemployment rates fell by 38 percent. For Appalachia to succeed, it needs less government, not more wasteful government spending.

The Grams amendment would not eliminate the ARC. Instead, it would make a modest, $40 million cut, to bring its funding level down to the amount that the House passed. Considering that this program does not even deserve to exist, we think this amendment is very reasonable. We therefore urge our colleagues to vote against the motion to table the Grams amendment.